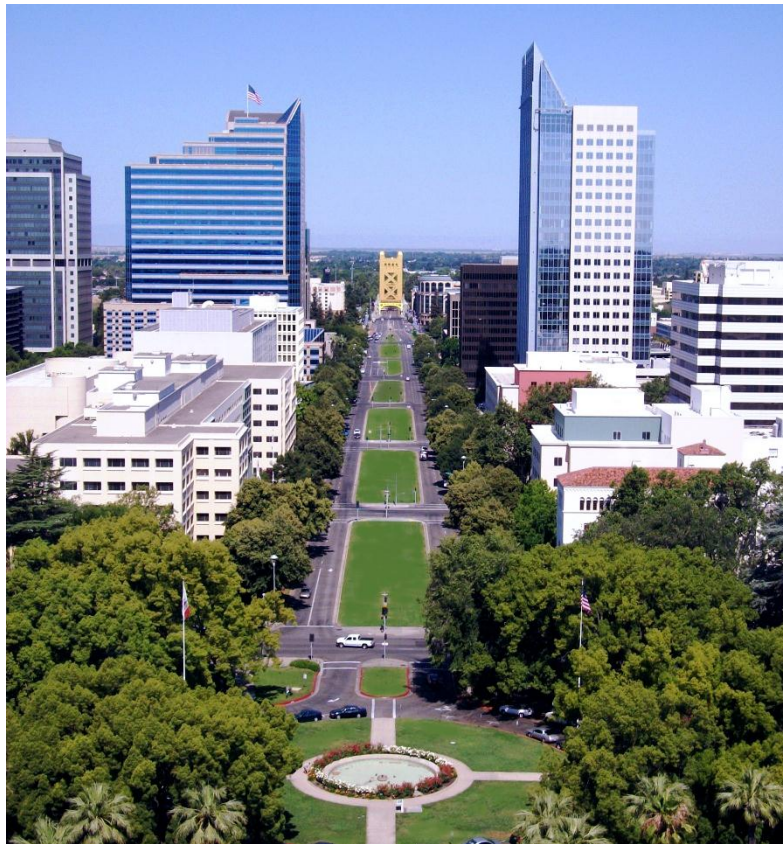


# CAPITOL AREA PLAN PROGRESS REPORT

*JANUARY 2014*



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## **STATE OF CALIFORNIA**

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# EXECUTIVE SUMMARY

For 35 years, the California Department of General Services (DGS) and the Capitol Area Development Authority (CADA) have shared a commitment to the advancement of an active neighborhood of state offices and residential units located on state-owned land surrounding the State Capitol. Since 1977, the smart growth development of the Capitol Area has been guided by the Capitol Area Plan, the statutory master plan administered by DGS. DGS implements the office and parking elements of the Capitol Area Plan and CADA, a joint powers authority (JPA) between the State of California and the City of Sacramento, implements the housing and retail elements.

Under the objectives of the Capitol Area Plan, state-owned land in the Capitol Area (the boundaries of which are reflected in the map on page ii) has supported the development of signature office projects promoting state-of-the-art sustainable and energy-efficient design features. These transit-oriented office projects, which often include ground-floor retail, child care, and public art displays, have resulted in a concentration of state employees to support local economic development efforts, while also supporting state policies and directives. Ownership and rental opportunities are available in nearly 800 residential infill units sited on state-owned land, with an effort made to incorporate support retail operations in new developments. Further enhancements contributing to the overall Capitol Area experience include community gardens and the streetscape improvements being facilitated by CADA.

This January 2014 Capitol Area Plan Progress Report describes the significant progress made during 2013 to advance the vision of the Capitol Area Plan.

## State Offices

The state's portfolio in the Capitol Area includes 33 office buildings that provide over 7 million net square feet (NSF) of office space, as well as sites that are identified for future office development. DGS's real estate asset management program includes new office space development to meet state agencies' program needs, as well as renovation of older buildings to upgrade building systems and increase their efficiency.

**Historic Building Renovation Complete** – The recent renovation of the historic Stanley Mosk Library and Courts Building at 914 Capitol Mall protects this major asset in the Capitol Area. The project, which consisted of fire, life, safety, and infrastructure improvements, and rehabilitation of historically significant architectural elements of the circa 1928 building, has resulted in a safer, more accessible building that is also more energy-efficient. Construction on the project commenced in fall of 2010, and was completed in early 2013, followed by reoccupancy by the California State Library and the California Courts. The renovation of the Library and Courts Building was acknowledged in the Sacramento Business Journal 2013 edition of Best Real Estate Projects in the category of Historic Preservations, and received the 2013 Preservation Design Award given by the California Preservation Foundation.

**Assessing the State's Assets** – Infrastructure studies were completed for two buildings located within the Capitol Area, the Bateson Building at 1600 Ninth Street and the State Garage at 1416 Tenth Street, in 2008 and 2009, respectively. These studies identify alterations and repairs to upgrade the buildings to current code standards. An infrastructure study and subsequent in-house feasibility study were completed in 2009 for the State Personnel Board

## Capitol Area within Central City



Building at 801 Capitol Mall. The studies evaluate and compare the cost to either retrofit the existing building or to construct a new office building at the site. A feasibility study on the Food and Agriculture Annex Building was completed in 2010 to determine the future best use of this property at 1215 O Street. Future projects will be based on the findings of the respective assessments, and upon available funding. A statewide infrastructure study for state garages and surface parking lots is currently underway to assess and prioritize needed special repair work. In 2013, DGS updated the 2008 Jesse M. Unruh Office Building Infrastructure Study to provide additional alternatives and costs for renovating the historic landmark property. The 2001 Resources Building Renovation Study is in the process of being updated to provide alternatives for a complete renovation of the building or the construction of a replacement building.

**Office Development Plans are Revisited** – In 2001, Government Code (GC) Section 8169.6 (Chapter [Ch.] 672, Statutes [Stats.] of 2001) authorized development of the West End Office Complex Project, which included new buildings in the blocks bounded by 7<sup>th</sup>, 8<sup>th</sup>, N, and P Streets, and would have consolidated Resources Agency programs with space currently located in the Resources Building, as well as in various leased space. However, due to significant increases in construction estimates that make the project infeasible, DGS recommended the West End Project be cancelled, and the legislation authorizing its development was rescinded in 2013.

**Energy Management Programs Promote Increased Efficiencies** – The state continues its energy management program in accordance with the Green Building Initiative, Executive Order B-18-12. The Stanley Mosk Library and Courts Building is seeking *Leadership in Energy and Environmental Design*™ (*LEED*) for *Building Design and Construction: New Construction and Major Renovations* Silver® certification now that its renovation is fully complete. With financial assistance from the American Recovery and Reinvestment Act (ARRA) of 2009, data center retrofit projects utilizing new technology proven more efficient and less costly to operate were completed in the Employment Development Department, Resources, Board of Equalization, and Secretary of State Buildings, resulting in measurable cost savings. As part of the Sacramento Metropolitan Utility District/Smart Grid Investment Grant program, ARRA funds were also utilized to upgrade Building Automation Control Systems in nine DGS-controlled facilities in the downtown Sacramento area. In accordance with the recent Executive Order B-18-12, the DGS Building and Property Management Branch (BPM) is taking an active role in the installation of Electric Vehicle Charging Stations throughout DGS-controlled parking facilities, and is currently working in tandem with the DGS Project Management and Development Branch (PMDB) on the planning and design stages of this effort. The certification program for *LEED for Building Operations and Maintenance: Existing Buildings* is currently being revised to provide for a more efficient and economical process known as Volume Certification, which is expected to be in place by the end of 2014. BPM is also working with PMDB and various utility companies in an effort to procure and install Monitor-Based Commissioning systems throughout the DGS-controlled portfolio.

## **Housing and Commercial**

CADA, which has served as a catalyst for new housing development in downtown Sacramento, is directing its efforts toward the creation of a neighborhood that is environmentally, socially, and fiscally sustainable. In addition to its continued development and management of quality, urban infill, mixed-use developments in the Capitol Area, CADA is working on developing streets that provide safe, attractive, and comfortable access for all users and facilitating transit-oriented



development on R Street. Additionally, CADA continues to incorporate resource and energy conservation into its projects in the Capitol Area.

**New Residential Developments Enliven Capitol Area** – The developer of Legado de Ravel on 16<sup>th</sup> and O Streets, formerly known as East End Gateway Sites 2 and 3, completed construction on this mixed-use project in October 2013. The developer of the Warehouse Artist Lofts (WAL) on R Street between 11<sup>th</sup> and 12<sup>th</sup> Streets, formerly known as the Capitol Lofts, secured financing and began construction on this phased project in February 2013 and is scheduled to complete construction in December 2014.

Developers of East End Gateway Site 1, located at the corner of 16<sup>th</sup> and N Streets, expect to commence construction in early 2014, with completion anticipated in early 2015. The developers of East End Gateway Site 4, at 16<sup>th</sup> and P Streets, began construction in August 2013 on this energy-efficient project, anticipating completion by October 2014.

**Energy Reduction Efforts Continue** – CADA continues to take measures to reduce grid-based energy purchases through implementation of DGS's Green Building Action Plan, established to ensure progress toward meeting the goals of the state's Green Building Initiative Executive Order B-18-12. Special consideration is taken to incorporate Green Building Action Plan objectives into all major capital improvement projects associated with the multi-family, residential structures managed by CADA, with the objective of meeting and exceeding the 20 percent energy reduction set forth in the Executive Order. In 2012 and 2013 CADA completed energy updates to 115 residential units using construction assistance provided by public utilities, and noted its 2012 energy consumption in its residential buildings reduced from 2011.

**CADA Instrumental in Streetscape Improvements** – CADA made progress in 2013 on the design, funding, and development of streetscape improvement concepts that will allow pedestrians, bicyclists, motorists, and public transportation to safely and comfortably traverse O Street, and link remaining CADA development sites and 16<sup>th</sup> Street, the spine of East End Gateway development.

In 2012, CADA obtained a \$795,000 Proposition 84 Green Project Grant from the state's Strategic Growth Council for the 16<sup>th</sup> Street Streetscape Plan, which sets forth streetscape improvements to 16<sup>th</sup> Street between the Capitol Avenue/N Street alley and S Street. The first of the grant-funded improvements was completed at 16<sup>th</sup> and O Streets in October 2013.

In January 2012, CADA completed the R Street Streetscape Project from 10<sup>th</sup> to 13<sup>th</sup> Streets, a multimillion dollar infrastructure project, and subsequently spearheaded the creation of a property and business improvement district to improve and maintain the R Street area from 7<sup>th</sup> to 15<sup>th</sup> Streets. In July 2013, designs were completed for the R Street Streetscape Phase II project for 16<sup>th</sup> to 18<sup>th</sup> Streets. CADA and the City of Sacramento submitted in August 2013 for a grant to fund construction of the project.

In late 2012, CADA also initiated design work for the R Street Streetscape Phase III Improvement Project. The project design and environmental process will be completed in summer of 2014.

**Reducing State Government's Property Footprint** – The Governor's 2011-12 Budget May Revision proposed to improve the state's asset management through initiatives including the review and disposal of properties with no state programmatic use. The review includes an assessment of properties owned by the state and managed by CADA.

In 2012, Senate Bill 1006 (Committee on Budget) (Ch. 32, Stats. of 2012) was signed, authorizing DGS to pursue the disposition of six of the properties managed by CADA, where the state owns the underlying land and a private sector individual or company owns the improvements constructed on that land. In 2013, Assembly Bill 826 (Jones-Sawyer) (Ch. 505, Stats. of 2013) was signed, authorizing DGS to sell an additional five commercial properties owned by the state and managed by CADA.

DGS, the City of Sacramento, and CADA continue to develop a strategic transition plan to achieve the governor's objective while meeting legislatively mandated housing affordability requirements and fulfilling CADA's legal obligations.

In September 2013, CADA submitted an alternative transition proposal for the state's consideration that would restructure the JPA to permit the state to withdraw and be replaced by an alternate public entity; have the state sell developed residential and residential mixed-use properties to the new JPA in one transaction; allow the new JPA to form a nonprofit organization to own and manage the properties; and authorize the new CADA to proceed with development of the remaining residential development sites consistent with the statutory goals for the Capitol Area Plan.



# **I. INTRODUCTION**

In July 1997, the director of DGS approved an update to the 1977 Capitol Area Plan which, by law, is the official state master plan for development in the Capitol Area. The Capitol Area Plan provides for the orderly development of the state's office facilities on state-owned land in a statutorily defined geographic area to the south, east, and west of the State Capitol Building and Capitol Park. DGS is responsible for the administration of the Capitol Area Plan, including updates as required, and also retains responsibility for the implementation of the office and parking elements. CADA, a State of California and City of Sacramento JPA, retains the responsibility for the implementation of the housing and retail/commercial elements.

Other groups with roles in Capitol Area planning include the Capitol Area Committee, formed in 1977 to advise the director of DGS on planning issues and activities in the Capitol Area, and to ensure public interests are represented in the planning process. At the same time, and to support this effort, the Capitol Area Technical Advisory Committee was formed to provide the Capitol Area Committee with technical input on Capitol Area issues. DGS and CADA work closely with the Capitol Area Committee and the Technical Advisory Committee on every aspect of the planning, reporting, and implementation of the Capitol Area Plan. The Capitol Area Committee and the Technical Advisory Committee each hold public meetings at least once annually, upon the call of the chairperson or upon the written request of any three members. Background and other information concerning CADA and these two committees may be found beginning on page 23.

DGS has historically been required by GC Section 8164 to annually prepare the Capitol Area Plan Progress Report for submission by January 1 to the Legislature to document the progress made during the previous year in the administration of the Capitol Area Plan. In September 2012, Senate Bill 71 (Leno) (Ch. 728, Stats. of 2012) was signed, which repealed GC Section 8164 and, as a result, ended the annual reporting requirement for the progress report. DGS Real Estate Services Division, however, continues to coordinate with CADA, the Capitol Area Committee, and the Technical Advisory Committee to oversee the progress made in realizing the development goals set forth in the 1997 Capitol Area Plan update and to record those activities. This January 2014 Progress Report provides a summary overview of activities that occurred during the year 2013. The following elements are reported upon as they relate to these activities:

- Land Use
- State Offices
- Housing
- Development of the Community
- Administration of the Plan

## **II. LAND USE**

The Capitol Area Plan is the official master plan for land use and development on state-owned land in the Capitol Area. Under the terms of GC Section 8160 et seq., the primary responsibility for the overall administration of the Capitol Area Plan is vested in DGS and its director. DGS has been working with CADA to achieve a vibrant mixed-use community that will serve as an integral part of downtown Sacramento's landscape. In this regard, DGS concentrates upon state office and associated parking development, and CADA concentrates upon the residential and commercial aspects of the Capitol Area Plan. With the 1997 update of the Capitol Area Plan, the state is committed to maintaining a broad land use policy including both flexibility and stability for the development process. The map on page 3 contains the diagram illustrating the land use pattern on state-owned land to occur with the Capitol Area Plan implementation. The office, housing, parking, and open space designations remain as approved in the 1997 Capitol Area Plan.

On September 11, 2002, Senate Bill 1460 (Ortiz) (Ch. 468, Stats. of 2002) was enacted to enlarge the Capitol Area, as delineated in the 1997 Capitol Area Plan, by extending the Capitol Area boundary south at 10<sup>th</sup> Street to S Street, and east at 17<sup>th</sup> Street to the railroad right-of-way between 19<sup>th</sup> and 20<sup>th</sup> Streets. Expansion of CADA's redevelopment project area is designed to accelerate development efforts along the southern border of the Capitol Area between 10<sup>th</sup> and 19<sup>th</sup> Streets. The City of Sacramento has since approved CADA's R Street Urban Design Plan. The R Street Area Implementation Plan, which serves as the guide for CADA's development and redevelopment activities in the R Street Area, was adopted by CADA's Board in 2008, following the completion of environmental review. The map on page 3 shows the boundary of the enlarged Capitol Area. Land use designations within the 1997 Capitol Area Plan boundary have not been affected by the expansion of the Capitol Area because no state-owned land lies within the added area.



**Land Use Diagram**

- Legend**
- Office Use
  - Residential
  - Parking
  - Other Existing Use
  - Parks and Open Space
  - Light Rail
  - 1997 Capitol Area Plan Boundary
  - Expanded Boundary per SB 1460 (Ch. 468, Stats. of 2002)

### III. STATE OFFICES

DGS continues to work within the context of the 1997 Capitol Area Plan for the planning and development of state office space in the Capitol Area, as detailed on the map on page 7. This official master plan identifies state-owned land designated for approximately 2.8 million gross square feet (GSF) of state office development on eight separate blocks within the Capitol Area.

Construction of the East End Office Complex on Blocks 171-174 and Block 225 produced approximately 1.5 million GSF of office development spanning the five blocks. The remaining office opportunity sites under the 1997 Capitol Area Plan project more than an additional 1.3 million GSF of future development on Block 204 (7<sup>th</sup> to 8<sup>th</sup> Streets and P to Q Streets), Block 213 (10<sup>th</sup> to 11<sup>th</sup> Streets and N to O Streets), and Block 275 (11<sup>th</sup> to 12<sup>th</sup> Streets and P to Q Streets). Additionally, the south half of Block 266 (8<sup>th</sup> to 9<sup>th</sup> Streets and Q to R Streets) is designated for a parking garage. These remaining office opportunity sites under the 1997 Capitol Area Plan are shown on the map on page 5. The scope of future development provided for in the Capitol Area Plan is shown in the table below.

**Capitol Area Plan Remaining Office and Parking Opportunity Sites**

	<b>Block 204</b>	<b>Block 213</b>	<b>Block 275</b>	<b>Block 266</b>	<b>Total</b>
Square Feet (SF) of Site Area	85,400	51,200	106,400	52,300	295,300
GSF of Office Space	628,000	268,000	454,600		1,350,600
NSF of Office Space	471,000	201,000	340,950		1,012,950
Floor Area Ratio	7.4:1	5.2:1	4.3:1		
Stories	18	8	6		
Parking Standard	1.1 per 1,000 GSF	1.1 per 1,000 GSF	1.1 per 1,000 GSF		
Parking to be Provided	355 Spaces	350 Spaces	501 Spaces	720 Spaces	1,926 Spaces
State Department with Jurisdiction over Property/ Private Ownership	DGS, EDD, Parks and Recreation	Legislature	DGS, Caltrans, Private Ownership	DGS, Private Ownership	



## Building Construction Completed, Initiated, or Evaluated by the State Since 2003

- **East End Office Complex** – Construction of approximately 1.3 million NSF of office space on the five blocks that comprise the East End Office Complex completed consolidations for the Department of Education (CDE), the Department of Health Care Services (DHCS), and the California Department of Public Health (CDPH). DHCS and CDPH were formerly a single agency, the Department of Health Services. In 2002, CDE took occupancy of the office building located on Block 225 (14<sup>th</sup> to 15<sup>th</sup> Streets and N to O Streets). In 2006, the building was certified LEED Platinum<sup>®</sup>, the highest designation given by the U.S. Green Building Council<sup>®</sup>. Construction was completed on the four office buildings and associated parking on Blocks 171-174 (15<sup>th</sup> to 17<sup>th</sup> Streets, L Street to the alley between Capitol Avenue and N Street), and DHCS and CDPH assumed occupancy in 2003. The four buildings were certified LEED Gold<sup>®</sup> in 2008.
- **Food and Agriculture Building** – This renovation project at 1220 N Street was completed in 2005 at a cost of approximately \$19 million. The project consisted of updating approximately 126,480 GSF of office and support space, a 162-seat auditorium, café, and meeting and conference rooms. The four-story plus basement building was originally constructed in 1936 and is a registered historic structure.
- **Office Building (OB) 10** – Located at 721 Capitol Mall, this building's \$18 million renovation work, completed in 2007, included installation of fire sprinklers, removal of hazardous materials, and upgrades to the electrical, communication, and data cabling systems. Additional work on this 163,350 GSF building included the removal and replacement of the roof and windows, new carpet, new ceiling tile, wall finishes, and modular furniture. The Department of Rehabilitation (DOR) fully occupied the renovated building in fall 2007, the same year the building was certified LEED Silver<sup>®</sup>.
- **OB 8 and OB 9** – These two 18-story buildings, located at 714 and 744 P Street, were renovated in sequence and were fully occupied in 2008 and 2010, respectively, with the consolidation of the Department of Social Services. A number of Social Service programs were moved from leased space back into OB 9. The buildings, totaling a combined 628,592 GSF, include a two-story reception building connecting the towers and providing one public entrance, a new child care center on the first floor of OB 8, and a cafeteria in OB 9 operated by a vendor from the DOR Business Enterprise Program. Also included in the renovation, the cost of which was approximately \$157 million, was the abatement of hazardous materials; structural upgrade of both buildings to Seismic Risk Level III; demolition of all interior partitions including removal and replacement of existing finishes; demolition and upgrades to portions of the existing mechanical, electrical, plumbing, telephone, data, elevator, and security systems; upgrade of all fire and life safety items; and upgrades to meet the Americans with Disabilities Act (ADA) current codes. The two buildings have been certified LEED Gold.
- **Central Plant** – The new Central Plant opened for operation in 2009, after nearly two years of construction. The original Central Plant was built in 1968 and initially served 15 buildings. The new plant provides heating and cooling to the state's downtown office campus of 23 existing office buildings (nearly 5.5 million GSF) in the Capitol Area and is sized to also provide heating and cooling for more than 1.3 million additional GSF of future development on the remaining office opportunity sites identified under the 1997 Capitol Area Plan. As a result of the new facility incorporating the latest





## State Office Buildings in Downtown Sacramento

Legend	Key	Building Name, No.	Address
State Office Buildings		1. Board of Equalization HQ Building, 450 N Street	
State Garage		2. CalPERS HQ, 400 P Street	
1997 Capitol Area Boundary		3. CalPERS HQ Expansion, 3rd & O Street	
Expanded Boundary per SB 1460 (Ch. 463, Stats. of 2002)		4. Office Building 10, 721 Capitol Mall	
Parks and Open Space		5. Employment Development Solar Bldg, 751 N Street	
Central Heating/Cooling Plant		6. Employment Development Annex, 751 N Street	
Light Rail		7. Office Building 8, 714 P Street	
		8. Office Building 9, 744 P Street	
		9. State Personnel Board Building, 801 Capitol Mall	
		10. Employment Development HQ Bldg., 800 Capitol Mall	
		11. Resource Building, 1416 Ninth Street	
		12. Energy Commission Building, 1516 Ninth Street	
		13. Bateon Building, 1600 Ninth Street	
		14. CalEPA Building, 1001 I Street	
		15. Jesse M. Unruh Office Building, 915 Capitol Mall	
		16. Stanley Mosk Library & Courts Building, 914 Capitol Mall	
		17. Library Annex, 900 N Street	
		18. Blue Anchor Building, 1400 Tenth Street	
		19. Paul Borelson Building, 901 S Street	
		20. State Capitol Building, 1000 L Street	
		21. Legislative Office Building, 1020 N Street	
		22. Secretary of State/Archives Building, 1300 11th Street	
		23. Transportation HQ Building, 1120 N Street	
		24. Justice HQ Building, 1300 I Street	
		25. Food & Agriculture Building, 1220 N Street	
		26. Food & Agriculture Building, 1215 O Street	
		27. Veterans Affairs Building, 1227 O Street	
		28. BPM Regional Office, 1304 O Street	
		29. Block 225, 1430 N Street	
		30. Block 171, 1501 Capitol Avenue	
		31. Block 172, 1500 Capitol Avenue	
		32. Block 173, 1615 Capitol Avenue	
		33. Block 174, 1616 Capitol Avenue	



technologies, the plant uses 58 percent less energy and 90 percent less water than its predecessor. The smaller footprint allowed a portion of the reclaimed land to be turned into a public garden, complete with a landscape feature reusing water from the plant. The Central Plant is the third state facility to be certified LEED Platinum, the highest designation in the LEED program, and is the state's first new construction project to achieve this rating. The project has received numerous honors and awards.

- **Library and Courts Building** – Funding for the \$49 million renovation of the Stanley Mosk Library and Courts Building located at 914 Capitol Mall was provided by the 2005/2006 Budget Item 1760-301-0660(1). Construction commenced in fall 2010 and was completed in early 2013, at which time the building was reoccupied by the California State Library and the California Supreme Court, Court of Appeal. The renovation on the five-story building included upgrades for security, accessibility, fire and life safety systems, correction of electrical and plumbing deficiencies, roof repair, and the restoration of historic features such as ceilings, lights, elevators, and public art, including the building's famous Maynard Dixon murals. A LEED Silver certification is being sought now that construction is complete. The renovation of the Library and Courts Building was acknowledged in the category of Historic Preservations in the Sacramento Business Journal's 2013 edition of Best Real Estate Projects. The project was also the recipient of the 2013 Preservation Design Award presented by the California Preservation Foundation at its September 2013 awards ceremony. The California Preservation Foundation recognizes those projects that display exemplary work in historic preservation, restoration, rehabilitation, and sustainability.
- **Capitol Building** – Mechanical equipment replacement continues in 18 fan rooms throughout the building. A retrofit at the Capitol Building included new technology to control the building's heating and cooling systems, and replacement of incandescent bulbs with energy-saving LED lights. Further upgrades to the building's infrastructure, including the electrical and mechanical systems, are ongoing and will continue into the next fiscal year.
- **West End Office Complex: Office Development Plans Revisited** – In 2001, GC Section 8169.6 (Ch. 672, Stats. of 2001) authorized development of the West End Office Complex Project, which included new buildings in the blocks bounded by 7<sup>th</sup>, 8<sup>th</sup>, N, and P Streets, and would have consolidated Resources Agency programs with space currently located in the Resources Building, as well as in various leased space. However, due to significant increases in construction estimates, the current project is infeasible. DGS recommended the West End Project be cancelled and the legislation authorizing its development be rescinded. Senate Bill 71 (Committee on Budget and Fiscal Review) (Ch. 28, Stats. of 2013) repeals the legislation for the West End Office Complex Project.
- **Bateson Building** – An infrastructure study completed in 2008 for the Bateson Building located at 1600 Ninth Street found the building to be in generally good condition, but numerous repairs and alterations were identified that would bring the building up to current standards, including fire and life safety system upgrades and correction of ADA issues and conditions. While a full building renovation or upgrade is not economically feasible at this time, DGS BPM will undertake a portion of the needed repairs on an annual basis utilizing funds from its special repairs budget.

- **State Personnel Board Building** – An infrastructure study was completed in January 2009 for the State Personnel Board Building located at 801 Capitol Mall. The study evaluates the probable costs and construction schedule to renovate the building to achieve an additional 50 years of serviceable life. Two alternatives are presented, including a renovation to repair and refurbish the existing building and surrounding site area. The second alternative proposes demolition of the existing structure and construction of a new office building in the same configuration, footprint, and envelope size as currently exists. A subsequent in-house massing study evaluates replacement of the existing building with a structure that would take advantage of the allowable height limits prescribed in the Capitol View Protection Act (CVPA), as well as maximizing the use of the site pad. Although no project has been authorized at this time, a renovation of the building was estimated at a cost of \$34.5 million.
- **State Garage** – An infrastructure study was completed in June 2009 for the State Garage located at 1416 10<sup>th</sup> Street. The study of the 282,050 GSF structure reveals deficiencies in the existing seismic, mechanical, fire sprinkler, security, and egress systems, with additional deficiencies noted with regard to accessibility, security, and water intrusion. The cost to correct all cited deficiencies was estimated to be \$3.2 million. The study also evaluates the feasibility of replacing the existing man-lift with a hydraulic elevator, and pursuing LEED Silver certification. The Office of Fleet and Asset Management submitted a Budget Change Proposal (BCP) requesting \$1.077 million in funding to perform structural, mechanical, and electrical repairs in the State Garage. The Department of Finance approved the BCP, but the Legislative Analyst's Office (LAO) rejected the request for special repairs to the State Garage for fiscal year 2013-14. The LAO recommends preparation of a statewide garage infrastructure study, including a five-year repair plan and prioritization of special repair work for state-owned garages throughout the state. This statewide garage infrastructure study is currently in the project initiation phase.
- **Food and Agriculture Annex Building** – A feasibility study of the existing four-story Food and Agriculture Annex Building, located at 1215 O Street, was completed in 2010. In determining the highest and best use of the property and evaluating the cost to renovate the existing building, the study concludes it is not cost-effective to renovate the building, and recommends replacing the existing structure with a new 397,400 GSF 11-story office building with tenant parking, at an estimated cost of \$234 million. This approach would maximize office space while still conforming to the CVPA. Although no project has been authorized at this time, the building occupants have been relocated and the building will remain unoccupied until such time as the funds can be identified to undertake the recommended scope of work.
- **Jesse M. Unruh Office Building** – DGS updated the 2008 Jesse M. Unruh Office Building Infrastructure Study to provide additional alternatives and costs for renovating the historic landmark property. Although no project has been authorized at this time, a renovation would extend the building's useful life by upgrading infrastructure systems and would restore its original historic character.
- **Resources Building** – An update to the 2001 Resources Building Renovation Study is being undertaken by DGS to provide alternatives for a complete renovation of the building or the construction of a replacement building, however, no project has been authorized at this time.

## IV. HOUSING

Since its inception in 1978 as a JPA, CADA has planned, implemented, and managed the housing and related retail/commercial elements on state-owned land in the Capitol Area, as highlighted on the map on page 12. CADA was created by a joint powers agreement (pursuant to GC Section 8169.4) between the State of California and the City of Sacramento. A volunteer five-member board of directors governs the authority. The State of California and the City of Sacramento each appoint two members, and these four directors select the fifth director. The daily operation of the authority is under the direction of its executive director. The members of the board as of December 2013 are listed on page 24.

### State-Owned Property Sold to CADA for Development

Prior to 1996, all new CADA housing was developed on a long-term ground lease basis. This changed with the passage of legislation in 1996 and 1997. Under the terms of Senate Bill 1770 (Johnston) (Ch. 193, Stats. of 1996), the state sold the underlying fee interest in originally long-term leased land to the individual homeowners of three condominium projects: Somerset Parkside (north two-thirds of the block bounded by 10<sup>th</sup>, 11<sup>th</sup>, P, and Q Streets); Saratoga Townhomes (north half of the block bounded by 9<sup>th</sup>, 10<sup>th</sup>, Q, and R Streets); and Stanford Park Townhomes (southeast quarter of the block bounded by 14<sup>th</sup>, 15<sup>th</sup>, O, and P Streets, and south half of the block bounded by 15<sup>th</sup>, 16<sup>th</sup>, O, and P Streets).

Assembly Bill 666 (Ortiz) (Ch. 262, Stats. of 1997), which amended GC Section 8169, created a major change in the disposition of state-owned land in the Capitol Area. This bill authorizes the director of DGS to sell real property under the jurisdiction of DGS to CADA that, in turn, sells the property to qualified developers for development of residential and neighborhood retail/commercial uses in the Capitol Area. Prior to enactment of this legislation, the sale of land was precluded, and CADA developments were on land that was long-term leased from the state. The ability to provide fee title to such property enhances the development opportunities within the Capitol Area, including the ability to develop more ownership housing. The ten properties shown in the table below, totaling 10.5 acres, have been sold by the state to CADA under provisions of this legislation.

### State-Owned Property Sold to CADA for Development

Project	Site Acres
Governor's Terrace Apartments site, 14 <sup>th</sup> and P Streets	0.59
Fremont Building site, 16 <sup>th</sup> and P Streets	0.89
Capitol Park Homes site, 12 <sup>th</sup> to 14 <sup>th</sup> and P to Q Streets	3.45
Fremont Mews site, 15 <sup>th</sup> and Q Streets	2.05
Capitol Lofts site, 11 <sup>th</sup> and R Streets	1.18
East End Gateway (EEG) Site 1, 16 <sup>th</sup> and N Streets	0.70
Legado de Ravel (EEG Site 2), 16 <sup>th</sup> and O Streets	0.44
Legado de Ravel (EEG Site 3), 16 <sup>th</sup> and O Streets	0.72
Powerhouse 16 (EEG Site 4), 16 <sup>th</sup> and P Streets	0.44
1610 17 <sup>th</sup> Street	0.04
<b>TOTAL</b>	<b>10.5</b>

## Projects Completed on State-Owned Property and Sold or Long-Term Leased to CADA Since 1997

Since the approval of the 1997 Capitol Area Plan, the following projects have resulted in the construction or rehabilitation of 296 residential units, 38 hotel units, and 12,000 SF of commercial space on state-owned land designated for housing development under the Capitol Area Plan. The following projects provide both rental and for-sale product to the downtown housing market:

- **Governor's Terrace Apartments** – This project at 14<sup>th</sup> and P Streets includes 44 residential units on .59 acres. When completed in 1997, it was the first market-rate apartment structure completed in downtown Sacramento in ten years.
- **Fremont Building** – Construction on this residential and commercial mixed-use project on Block 234, on the east side of 16<sup>th</sup> Street between O and P Streets, was completed in 2001. The project includes 69 apartments and 12,000 SF of ground floor commercial space.
- **Capitol Park Homes** – This development includes the construction of 64 for-sale, detached, single-family homes on Blocks 281 and 284 between 12<sup>th</sup>, 14<sup>th</sup>, P, and Q Streets. The project was completed in 2003. As a part of the project, CADA preserved 16 units of housing stock that were within the footprint of the new development site by relocating the structures to land formerly utilized for surface parking at 1321 and 1326 Q Street.
- **Fremont Mews** – This CADA project, completed in 2005, involves the state-owned property on Block 286 bounded by 14<sup>th</sup>, 15<sup>th</sup>, P, and Q Streets, and a DGS-controlled and operated surface parking lot. The development includes 119 residential rental units and a 19,200 SF on-site garden area. This on-site garden (Fremont Community Garden), as well as a 32,000 SF off-site garden located at 5<sup>th</sup> and W Streets (Southside Community Garden), is an element of the Garden Preservation and Replacement Plan incorporated into the development of this project. Both the on-site and the off-site gardens were acquired by CADA, with assistance from DGS, and donated to the City of Sacramento Parks Department.
- **Seventeenth and N Streets** – An eight-unit art deco apartment building was moved from the East End Office Complex site to the southwest corner of 17<sup>th</sup> and N Streets on Block 233. It was rehabilitated and ten new units were constructed on the rear of the site. The project was completed in 2001. A grant from the East End Mitigation Funds was used for the move and rehabilitation of the older building.
- **The Inn Off Capitol Park** – The rehabilitation of the older Capitol Vue Hotel in 2000 provided 38 hotel units at the southwest corner of 16<sup>th</sup> and N Streets on Block 231.
- **Legado de Ravel** – Construction on this mixed-use project on Blocks 231 and 232 was completed in October 2013. The development includes 84 market-rate apartments and 13,000 SF of ground floor commercial space.



## Projects Currently Being Developed on State-Owned Property Sold to CADA

CADA's current development activities on state-owned property sold to CADA and designated for housing development under the Capitol Area Plan include the following projects:

- **Warehouse Artist Lofts (WAL)** (formerly known as Capitol Lofts) – This property, located between 11<sup>th</sup>, 12<sup>th</sup>, R, and S Streets, was sold by DGS to CADA for development in 2004, and includes an historic six-story warehouse building that was built in 1914. The phased project will include 116 new housing units, of which 75 percent will be affordable; rehabilitation of a small, three-story commercial building; a newly constructed below-grade parking garage; and ground floor retail along R Street. In 2009, the project was awarded \$4.9 million in Proposition 1C infill infrastructure funds from the Department of Housing and Community Development and, in July 2012, the project obtained \$18.5 million in Low Income Housing Tax Credits from the California Tax Credit Allocation Committee. After 15 years of planning, designing, remediating, and seeking financing, the WAL project began construction in February 2013, with completion anticipated by December 2014. The housing units and the 23,000 SF of commercial space will be marketed to the artist community with the goal of making the R Street Historic District an art and cultural district. The project is being undertaken jointly by Capitol Lofts-Sacramento, LLC, a partnership of CFY Development and Holliday Development, and CADA.
- **East End Gateway Sites** – In order to stimulate interest and provide a vision for CADA's development goals along 16<sup>th</sup> Street, CADA issued a Request for Qualifications in early 2003 for four sites known as the East End Gateway. The properties, also referred to as Sites 1 through 4, were sold in late 2005 by DGS to CADA for development, which will serve to improve the image of the east entry into the Capitol Area, and enhance 16<sup>th</sup> Street as a desirable residential and mixed-use corridor.
- **East End Gateway Sites 1 and 4** – After the 2008 expiration of a national developer's Exclusive Negotiating Agreement for East End Gateway Sites 1 and 4, located at 16<sup>th</sup> and N Streets, and 16<sup>th</sup> and P Streets, respectively, CADA reissued the Request for Proposal for the development of these two sites. In March 2009, CADA selected a partnership of Em Johnson Interest, Inc. and Nehemiah Community Reinvestment Fund Holdings, Inc. to construct a mixed-use structure at the 16<sup>th</sup> and N Street location. A Development and Disposition Agreement was entered into and, subject to the developer securing financing to commence construction, the development will be a six-story structure that will include 118 rental units, 5,200 SF of retail space, and 133 underground parking spaces. The developer has completed schematic and design development-level construction drawings and secured soft construction loan commitment letters. Construction is expected to begin in early 2014.

In December 2010, CADA selected Sukna Global Holdings to develop a mixed-use project at East End Gateway Site 4 at the southeast corner of 16<sup>th</sup> and P Streets, directly across from Fremont Park. In March 2012, D & S Development joined Sukna Global Holdings as their development partner and, in July 2013, Sukna's interest was acquired by a private investor. This project will include 50 market-rate, for-lease condominium units, 49 parking spaces, and 7,200 SF of retail space. Once the economy sufficiently improves to support the sale of ownership housing, the project is proposed to be converted to for-sale condominiums. The development is intended to be a model of

sustainability and the developer intends to obtain a LEED Platinum certification. The developer commenced construction in August 2013 and expects to be completed in October 2014.

- **1610 17<sup>th</sup> Street (Residential Site 9B)** – This 40' x 40' parcel, located at the southeast corner of the Capitol Area, is a vacant piece of land CADA purchased from the state in 2008. In March 2012, CADA selected a proposal for a single-family residence and a guest unit for the site. Construction started in August 2013 and is expected to be completed by spring 2014.

### **Reducing State Government's Property Footprint**

The Governor's 2011-12 Budget May Revision proposed to improve the state's asset management through initiatives including the review and disposal of properties with no state programmatic use. The review includes an assessment of properties owned by the state and managed by CADA.

In 2012, Senate Bill 1006 (Committee on Budget) (Ch. 32, Stats. of 2012) was signed, authorizing DGS to pursue the disposition of six of the properties managed by CADA, where the state owns the underlying land and a private sector individual or company owns the improvements constructed on that land. In 2013, Assembly Bill 826 (Jones-Sawyer) (Ch. 505, Stats. of 2013) was signed, authorizing DGS to sell an additional five commercial properties owned by the state and managed by CADA.

DGS and CADA continue to develop a strategic transition plan to achieve the governor's objective while meeting legislatively mandated housing affordability requirements and fulfilling CADA's legal obligations. In September 2013, CADA submitted an alternative transition proposal for the state's consideration that includes four major components:

- Restructure the JPA to allow the state to withdraw and be replaced by an alternate public entity.
- The state sells improved/already developed residential and residential mixed-use properties to the new JPA in one transaction.
- The JPA forms a nonprofit organization (essentially this would be CADA, but in a new form) to own and manage the properties.
- The new CADA proceeds with development of the remaining residential development sites consistent with the statutory goals for the Capitol Area Plan.

The state is evaluating the proposed transition plan to assess its ability to relieve the state of its contractual and fiscal liabilities as they relate to the CADA-managed properties.



## Affordable Housing in the Capitol Area and the R Street Area

**Capitol Area** – GC Section 8193 states that CADA is required to have occupied, or make available, 25 percent of the residential units located on land either purchased or leased from DGS in the Capitol Area at affordable rents to low-income households. On December 15, 2000, the CADA Board of Directors adopted CADA Board Resolution 00-49 stating that CADA will meet its 25 percent obligation in the Capitol Area by directly subsidizing units, utilizing external funding sources to subsidize units it manages, and causing or assisting in the development of affordable units by third parties. This resolution further states that CADA will consider the impact on its 25 percent obligation whenever it takes any action affecting housing stock in its redevelopment project area. CADA annually presents in its year-end stakeholders report actions taken in the past year to ensure its 25 percent obligation is met, as reflected in the table below.

Capitol Area	Affordable	Market	Total
CADA-Managed Units	205	558	763
Units Managed by Others	136	464	600
Total Units	341	1022	1363
Current Percentage Split	25%	75%	100%

**R Street Area** – Senate Bill 1460 (Ortiz) (Ch. 468, Stats. of 2002) amends GC Section 8193 to regulate the following affordable housing requirements for the R Street Area. Prior to the completion of redevelopment activities in the R Street Area, at least 30 percent of all new and substantially rehabilitated dwelling units developed by CADA within the R Street Area shall be available at affordable housing costs for low-income or moderate-income households. Of these units, at least 50 percent shall be within the means of very low-income households. Prior to the completion of redevelopment activities in the R Street Area, at least 15 percent of all new and substantially rehabilitated dwelling units developed by public or private entities other than CADA within the R Street Area shall be available at affordable housing costs for low-income or moderate-income households. Of these units, at least 40 percent shall be affordable to very low-income households.

The R Street Area Implementation Plan adopted by CADA in 2008 sets forth strategies for ensuring the provision of affordable housing as shown in the table below prior to the completion of redevelopment activities in the R Street Area.

	Total Units	Total Affordable	Affordable to Very Low
Projected at Build-Out	797	119	48
Produced Since 2002	22	0	0

## Residential Management and Development

CADA is responsible for managing the housing development for a range of income categories within the Capitol Area, in response to market conditions and priorities as they develop. The statutorily stated goal is to create a viable community of 3,500 residents in both public and privately owned housing within the 1997 Capitol Area Plan boundary (exclusive of the R Street Area, added to CADA's Redevelopment Project Area in 2002), and to ensure the availability of retail/commercial facilities to support the residents, employees, and visitors who frequent the Capitol Area. The table below (which continues on the following page) identifies CADA-managed residential properties that are located on state-owned land, and the table on page 18 summarizes new housing that has been developed by CADA since 1978.

### State-Owned and CADA-Managed Residential Properties

Address	Property Name	Market-Rate Units	Rent-Assisted Units	Total Units	Lease No.
		(See Note 1)			
1517 12th Street		8	1	9	6465
1521 12th Street		3	1	4	6465
1506 13th Street	McCafferty Manor	20	3	23	6465
1512 13th Street	Southwark	7	0	7	6465
1428 14th Street	Metro Building	6	2	8	6465
1317 15th Street	Lombard	12	0	12	6465
1325 15th Street	Park Mansion	37	5	42	6465
1421 15th Street	Biele Place <sup>(2)</sup>	1	34	35	6527
1500 15th Street	Auslender	24	1	25	6709
1501 15th Street	Dauger Manor	21	1	22	6465
1510 15th Street	The Victorian	3	0	3	6465
1514 15th Street	The Victorian	2	0	2	6465
1606 15th Street/ 1424 P Street	Fremont/ Wilshire <sup>(3)</sup>	20	12	32	N/A
1412 ½ 16th Street	(Above Luna's)	4	0	4	6465
1316 N Street	Le Chateau	11	0	11	6465
1320 N Street	Senator Manor	23	7	30	6465
1400 N Street	Dean Apartments	11	0	11	6465
1500 N Street	Brannan Court <sup>(2)</sup>	32	8	40	6712
1517 N Street	Capitol Gardens <sup>(4)</sup>	10	4	14	N/A
1522 N Street	Judith Manor	25	5	30	6465
1616 N Street	Grantwood Manor	17	3	20	6465
1622 N Street	Shelly Arms	22	8	30	6465
1228 O Street	Gibson Arms	14	6	20	6465
1316 O Street		8	3	11	6465
1317 O Street	The Valencia	14	2	16	6465

State-Owned and CADA-Managed Residential Properties (continued)					
Address	Property Name	Market-Rate Units	Rent-Assisted Units	Total Units	Lease No.
		(See Note 1)			
1327 O Street	Capri Apts.	9	3	12	6465
1330 O Street	(Above Sam's)	2	0	2	6672
1400-04 O Street/ 1401-15 Carriage Path Way	Greentree Commons/ Carriage Path Way	17	0	17	6671
1414 O Street	Moore Manor	12	2	14	6465
1420 O Street	The Statesman	24	3	27	6465
1506 O Street	Johnston House <sup>(2)</sup>	0	6	6	6618
1510 O Street	Don Carlos Apts. <sup>(2)</sup>	2	8	10	6618
1515 O Street	Morgenson Manor	18	2	20	6465
1625 O Street		15	5	20	6465
1201 P Street	Del Capri	6	2	8	6465
1209 P Street	Wing Manor	6	5	11	6465
1214 P Street		5	0	5	6465
1215 P Street	Gibb Arms	8	4	12	6465
1216-18 P Street		2	0	2	6465
1220 P Street	Deus	8	3	11	6465
1326 P Street	Mi Casa	8	4	12	6465
1330 P Street	Palm Mansion	4	0	4	6710
1615-17 P Street	Lanai Apartments	14	6	20	6465
1623 P Street	Lanai Apartments	9	3	12	6465
1321 Q Street		6	0	6	6465
1619 Q Street	Rooming House <sup>(5)</sup>	16	0	16	6617
1001-35 Q Street	Somerset Parkside <sup>(2)</sup>	1	25	26	6619
1614-40 O Street	17th St. Commons <sup>(2)</sup>	17	12	29	6620
Placements Available or in Process:	Multi-Site <sup>(5)</sup>	<u>-6</u>	<u>6</u>	<u>0</u>	N/A
<b>TOTAL</b>		<b>558</b>	<b>205</b>	<b>763</b>	

Notes:

- (1) With the exception of units in buildings that already have affordability restrictions mandated by regulatory agreement, vacant units are counted as market-rate units.
- (2) Properties that have specific affordability restrictions.
- (3) CADA-owned property with no state lease.
- (4) Property sold to CADA in 2005 for development of East End Gateway sites.
- (5) Multi-site units needed to meet affordability mandates that are not yet assigned or are in process.

## New CADA Housing Developed Since 1978

<u>Project</u>	<u>Site</u>	<u>Site Acres</u>	<u>Privately Owned</u>	<u>State or CADA</u>	<u>No. of Units</u>	<u>Dwelling Units/Acre</u>	<u>Completed</u>
Somerset Parkside 1001-35 Q St.	RS-2	2.5	75	26	Market 76 Low 18 Very Low 7	40	1984
Saratoga Townhomes 900 Q St.	4-B	1.17	36		Market 36	31	1983
Stanford Park 1515-23 P St.	15B/19C	1.76	50		Market 50	28	1986
Palm Mansion 1330 P St.	7C	0.07		4	Market 4	57	1985
Delta Victorians (1) 1616-26 14th St.	7D	0.30	8		Market 8	27	1984
1612 14th St. Townhomes (1)	7D	0.07	3		Market 3	43	1993
Admail Express 1501-12 14th St. (1)	16A	0.11	7		Market 4 Low 3	64	1984
Greentree Commons / Carriage Path Way 1400-04 O St. / 1401-15 Carriage Path Way	15A	0.59		17	Market 17	29	1988
Brannan Court 1500 N St.	6A	0.59		40	Market 32 Very Low 8	68	1988
Biele Place 1421 15th St.	6B	0.51		35	Market 1 Low 11 Very Low 23	69	1984
17th St. Commons	5/8B	1.26		29	Market 17 Low 12	23	1984
17th and P Streets							2001
1416 17 <sup>th</sup> St. / (1) 1631 O St.	8B	0.15	3		Market 3	20	1988
Rooming House 1619 Q St.	9A	0.15		16	Market 16 Low 0	107	1982
Capital Terrace (1) 1615 O St.	8C	0.59	60		Very Low 60	102	1994
Governor's Terrace 1519 14th St.	15C	0.59	44		Market 44	75	1997
The Inn Off Capitol Park - 1530 N St. (1)	N/A	0.22	38		Hotel 38	173	2000
Fremont Building 1501 16th St.	5A	0.89	69		Market 58 Low 11	78	2001
1500 Q St.	N/A	0.15	6		Market 4 Low 2	40	2001
17th and N Sts. (2)	8E	0.29	18		Market 18	62	2001
1321 Q St. (moved from 1201 Q St.)		0.07		4	Market 4	57	2001
1326 P St. (moved from 1223 Q St.)		0.15		12	Market 12	80	2001
Capitol Park Homes 12th/14th, P/Q Sts.	18A/7A	3.45	64		Market 46 Moderate 6 Low 12	19	2002/03
Fremont Mews 15th and Q Sts.	13	2.05	119		Market 71 Low 24 Very Low 24	58	2005
Legado de Ravel	EEG 2&3	1.16	84		Market 84	72	2013
<b>TOTAL (3)</b>			<b>684</b>	<b>183</b>			

**UNIT TYPE - Market = 608 • Moderate = 6 • Low = 93 • Very Low = 122 • Hotel = 38 • TOTAL = 867**

Notes:

- (1) Prior to 1996, all new CADA housing was developed on a long-term ground lease basis. This changed with the passage of legislation in 1996 and 1997; however, the state continues to own land on which private developers have constructed residential and commercial improvements. Assembly Bill 1006, signed in 2012, authorizes DGS to sell these properties.
- (2) DGS has authorization to sell this site to CADA, on which a private developer has constructed the improvements under a long-term ground lease, and for CADA to concurrently sell the site to the respective leaseholder.
- (3) Completion of the WAL, currently under construction, will add 87 affordable units to totals, resulting in the mandated 25 percent affordable units.

## V. DEVELOPMENT OF THE COMMUNITY

The 1997 Capitol Area Plan references an estimated additional need of approximately 90,000 SF of retail, commercial, and service space as the Capitol Area Plan is built out to its maximum office and residential capacity. In terms of the land use area targeted for this development, approximately 17 blocks within the 1997 Capitol Area Plan boundary are involved, or will be involved, in office and residential developments that could include or accommodate this type of space, most of which would be retail/commercial enterprises. However, two of the developments may include office/commercial developments, and one would be a child care service facility. The majority of the developments are connected with residential projects under CADA's sponsorship, and the balance is under DGS's state-owned office program or private ownership. The referenced blocks within the 1997 Capitol Area Plan boundary and their related projects are outlined in the table below.

### Retail/Commercial Development in the Capitol Area

Block No.	Project Name	Status	Type of Space	SF
<b>Residential Blocks</b>				
075	WAL	Under Construction	Commercial	23,000
172	East End Gateway (EEG 1)	In Development	Retail/Commercial	TBD
231	Legado de Ravel (EEG 2)	Completed	Retail/Commercial	5,816
232	Legado de Ravel (EEG 3)	Completed	Retail/Commercial	8,087
293	Powerhouse 16 (EEG 4)	Under Construction	Retail/Commercial	7,200
233	East End Gateway 5 & 6	Potential	Retail/Commercial	TBD
234	Fremont Building	Completed	Retail/Commercial	12,000
292	1500 Q Street	Completed	Retail/Commercial	1,200
222	TBD	Potential	Retail/Commercial	TBD
224	TBD	Potential	Retail/Commercial	TBD
<b>Office Blocks</b>				
173	East End Complex	Completed	Retail/Commercial	6,800
174	East End Complex	Completed	Retail/Commercial <sup>(1)</sup>	6,000
225	East End Complex	Completed	Retail/Commercial	5,400
225	East End Complex	Shell Completed	Retail/Commercial <sup>(2)</sup>	1,000
225	East End Complex	Completed	Child Care Interior	7,367
203	TBD	Potential	Retail/Commercial	TBD
204	TBD	Potential	Retail/Commercial	TBD
275	Caltrans Block	Potential	Retail/Commercial	TBD
<b>Garage Blocks</b>				
224	East End Complex	Completed	Office/Commercial	6,500
266	TBD	Potential	Retail/Commercial	TBD

(1) Unable to locate a viable retail tenant for these premises, a general purpose office suite was completed in 2007.

(2) Unable to locate a viable retail tenant for these premises, a general purpose office suite is planned for construction in 2014.

These retail, commercial, and service activities, which reflect a considerable investment and effort in their planning and development by both DGS and CADA, will broaden the scope of community services available in the Capitol Area. The amount of SF to be developed in the R Street Area for retail, commercial, and service space, as set forth by the City of Sacramento in the 1996 R Street Corridor Plan, has been superseded by the R Street Urban Design Plan prepared by CADA and adopted by the Sacramento City Council in 2006.

Shown below and on the following page are retail and commercial businesses operating in state-owned property within the Capitol Area.

### **State-Owned and CADA-Managed Retail/Commercial Properties**

<b>Address</b>	<b>Business Name</b>	<b>Type of Business</b>	<b>Lease No.</b>
1601 10th Street	Yummy Choice	Restaurant	6619
1603 10th Street	OB 2000	Restaurant	6619
1607 10th Street	Bagel Time	Restaurant	6619
1623-25 10th Street	Goodyear Cobbler and Cleaners	Dry Cleaners & Cobbler	6619
1424 14th Street	Capitol Dry Cleaners	Dry Cleaners	6465
1426 14th Street	Alterations By Pros	Alterations Shop	6465
1501 14th Street	Bistro Michel	Restaurant	6671
1401 and 1409 16th Street	Enterprise Rent-A-Car	Car Leasing	6465
1412 16th Street	Golden Gate Cleaners	Dry Cleaners	6465
1413 - 1415 16th Street	Simon's Bar & Grill	Restaurant	6465
1414 16th Street	Luna's Café	Restaurant	6465
1419 16th Street	Mercury Cleaners	Dry Cleaners	6465
1421 16th Street	Albert Lowey-Ball Consultants, Inc.	Consultant	6465
1520 16th Street, #B	16 <sup>th</sup> & O Gateway	Property Management / Leasing Office	6697
1520 16th Street, #D	Vacant	Vacant	6697
1530 16th Street, #A	Karma Brew	Restaurant	6697
1530 16th Street, #C	CES Real Estate	Real Estate Sales	6697
1614 N Street	Hand-in-Hand	Child Care	6725
730 O Street / 714 O Street	Capital Athletic Club Parking	Parking Lot	6650
1322 O Street	The Courtyard	Banquet Hall	6672
1329-31 O Street	Eliana's Cafe	Restaurant	6465
1330 O Street	Sam's Market	General Store	6672
1036 P Street	Le Croissant	Restaurant	6619
1209 P Street	Forever Young	Child Care	6465
1212 P Street	RMB Enterprises	Computer Billing Services	6465
1330 N Street		Surface Parking Lot	6718

### State-Owned and State-Managed Retail/Commercial Properties

<b>Address</b>	<b>Business Name</b>	<b>Type of Business</b>	<b>Lease No.</b>
1600 L Street	Reda Bellarbi & Associates, Inc. dba The Grand Wine Bar	Wine Bar	L-2291
1401 O Street, Suite A	Kevin Crilly and Anne Marie Crilly dba Zia's Delicatessen	Sandwich Shop	L-2473
1401 O Street, Suite B	Lakhbir Singh dba Curry Club	Restaurant	L-2311
1411 O Street	East End Child Care Center a nonprofit Public Benefit Corporation	Child Care	L-2043
901 P Street, Room I55-B	Rainbow Day Care a nonprofit Public Benefit Corporation	Child Care	L-1817
1425 14th Street, Suite A	Keith A. Hummel and Srinapa Hummel dba Ki Gifts	Frame and Gift Store	L-2293
1425 14th Street, Suite C	Magpie Caterers, Inc., a California Corporation dba Yellowbill Cafe and Bakery	Cafe/Caterer	L-2328



## **VI. ADMINISTRATION**

Although annual preparation of the Capitol Area Plan Progress Report is no longer a statutory requirement, DGS will continue to coordinate with CADA, the Capitol Area Committee, and the Technical Advisory Committee to oversee the progress made in realizing the development goals set forth in the 1997 Capitol Area Plan, and to continually evaluate priorities, capabilities, and opportunities of each responsible party.

## **VII. CAPITOL AREA DEVELOPMENT AUTHORITY**

The Capitol Area Development Authority (CADA) is a JPA between the State of California and the City of Sacramento created to implement the plans and objectives of the Capitol Area Plan, as directed by the State of California and the City of Sacramento. The Capitol Area Plan is a mixed-use plan for the management, development, and disposition of state-owned property located directly south and east of the State Capitol and Capitol Park in the City of Sacramento.

CADA has been specifically designated to implement the housing and support retail goals of the Capitol Area Plan. The Capitol Area Plan legislation sets a population goal of 3,500 residents living in housing built for a variety of incomes. Additional legislation enacted in 1978 requires that CADA maintain 25 percent of its units at affordable levels for low-income households, and provides CADA the powers of a redevelopment agency for the Capitol Area Redevelopment Project Area.

In 2002, legislation was passed expanding CADA's redevelopment project boundaries to include a key section of the R Street Corridor, a former warehouse and industrial district. The purpose of this expansion was to accelerate the pace of investment and redevelopment along the southern border of the Capitol Area between 10<sup>th</sup> and 19<sup>th</sup> Streets. Redevelopment of this area will enhance the Capitol Park neighborhood and serve as an opportunity for transit-oriented development in proximity to the 13<sup>th</sup> Street and 16<sup>th</sup> Street light rail stations.

From an organizational standpoint, CADA has four service units including Property Management, Asset Management, Development, and Administrative Services. CADA has four executive and 20 administrative staff members, a seven-member maintenance crew, and 13 resident service managers (full- and part-time). CADA develops and manages its own budget. While it is a JPA between the city and the state, CADA's main revenue sources come from residential and commercial rents, and tax increment revenue from properties within its redevelopment project area. CADA does not rely on the City of Sacramento or the state for any direct operational financial support.

## **Capitol Area Development Authority Board of Directors**

### **MEMBERS**

Ann Bailey, Chair

Bob Lagomarsino, Vice Chair

Kristan Otto

Page Robbins

David Smith

### **APPOINTING POWER**

State of California

City of Sacramento

City of Sacramento

CADA Board of Directors

State of California

Executive Director: Wendy S. Saunders

Board Secretary: Sharon M. Bennett

David Smith was appointed to the CADA Board of Directors in September 2013, replacing Ron Alvarado, who resigned his state-appointed seat on the board in July 2013 after seven years of service to CADA.

## **VIII. CAPITOL AREA COMMITTEE**

### **AUTHORITY:**

The Capitol Area Committee was formed in 1977 to advise the director of DGS about issues affecting the Capitol Area Plan per GC Sections 8164.1–8164.3.

### **MEMBERSHIP:**

The Committee consists of the nine members shown on page 28, who are appointed as follows:

- A. Four members are appointed by the governor, of which at least one is appointed from a list of three candidates submitted by the City of Sacramento, and at least one is appointed from a list of three candidates submitted by the County of Sacramento (four-year terms).
- B. Two members are appointed by the Speaker of the Assembly (one of whom may be a member of the Assembly), and two members are appointed by the Senate Rules Committee (one of whom may be a member of the Senate) (four-year terms).
- C. One member is appointed by the director of DGS (term is at the pleasure of the director).

The chairperson is elected by the committee members.

### **MEETINGS:**

Meetings are open to the public and are held on an annual basis, upon the call of the chairperson, or upon the written request of any three members. Meetings are normally held at the CADA Headquarters, 1522 14<sup>th</sup> Street, First Floor Boardroom, Sacramento, California. Members are always notified of meeting changes and cancellations.

### **ORGANIZATIONAL FUNCTIONS AND RESPONSIBILITIES:**

The Capitol Area Plan was established for the orderly development of the state's facilities in the metropolitan area of Sacramento. It serves as the master plan for development of state-owned land within the Capitol Area. DGS is assigned responsibility for carrying out development within the planning area in accordance with the Capitol Area Plan.

It is the purpose of the committee to independently review DGS's reports to the Legislature and to counsel and advise DGS in the carrying out of its responsibilities related to the Capitol Area Plan. The committee may submit separate comments on DGS's reports on the Capitol Area Plan to the Legislature. The committee involves a broad cross-section of interested citizens in the form of an advisory body. The advisory body serves without compensation.

### **CONTACT INFORMATION:**

Within DGS, the main point of contact for the committee is the Real Estate Services Division, Asset Management Branch.

Staff contact is Liz Ames, Regional Portfolio Manager, DGS, 707 Third Street, Fifth Floor, West Sacramento, CA 95605. Her contact numbers are (916) 376-1831 or fax (916) 376-1833.

**NEW WEBSITE ESTABLISHED:**

A website for the Capitol Area Committee was established in January 2013 to improve accessibility and outreach, and to respond to a recommendation by the Joint Legislative Sunset Review Committee.

The website, which can be accessed at <http://www.dgs.ca.gov/resd/home.aspx>, includes member and meeting information for both the Capitol Area Committee and the Technical Advisory Committee, as well as links to Capitol Area publications and related websites.

# **TECHNICAL ADVISORY COMMITTEE**

## **AUTHORITY:**

The Technical Advisory Committee was formed in 1977 to provide technical comments to the Capitol Area Committee. GC Sections 8164.1–8164.3 established the Capitol Area Committee and provided that an advisory body to the committee could be created.

## **MEMBERSHIP:**

Membership is determined by DGS, Real Estate Services Division. Members are representatives of a cross-section of planning, transportation, business, neighborhood, development, local, regional, and state agencies, and associations that provide technical analyses and comments for the consideration of the Capitol Area Committee. In turn, the Capitol Area Committee advises the director of DGS about issues affecting the Capitol Area Plan. The Technical Advisory Committee is chaired by the Chief, Asset Management Branch, Real Estate Services Division, DGS.

## **MEETINGS:**

Meetings are open to the public and are held annually, and additionally as needed, at the CADA Headquarters, 1522 14<sup>th</sup> Street, First Floor Boardroom, Sacramento, California.

## **ORGANIZATIONAL FUNCTIONS AND RESPONSIBILITIES:**

The committee examines proposals and issues that may have an impact on the planning area governed by the Capitol Area Plan (GC Section 8160.1). Through the chairman of the committee, comments, analyses, and recommendations on technical planning matters and issues of the community are reported to the Capitol Area Committee.

## **CONTACT INFORMATION:**

Within DGS, the main point of contact for the committee is the Real Estate Services Division, Asset Management Branch.

Staff contact is Liz Ames, Regional Portfolio Manager, DGS, 707 Third Street, Fifth Floor, West Sacramento, CA 95605. Her contact numbers are (916) 376-1831 or fax (916) 376-1833.

## **Capitol Area Committee & Technical Advisory Committee Members**

### **CAPITOL AREA COMMITTEE MEMBERS**

John Lambeth, Chair  
Darryl Chinn  
Curtis R. Namba  
Vacant  
David Gonsalves  
Bill Wong  
Darrick Lawson  
Richard Cowan  
Sheral Gates

### **APPOINTING POWER**

Governor's Office  
Governor's Office/City Representative  
Governor's Office/County Representative  
Governor's Office  
Assembly Speaker's Office  
Assembly Speaker's Office  
Senate Rules Committee  
Senate Rules Committee  
Department of General Services Director

### **TECHNICAL ADVISORY COMMITTEE MEMBERSHIP**

#### **STATE REPRESENTATIVES**

Department of General Services  
Division of the State Architect  
Office of Fleet and Asset Management  
Real Estate Services Division  
California Highway Patrol  
Department of Transportation  
Senate Budget and Fiscal Review Committee

#### **LOCAL REPRESENTATIVES**

Capitol Area Development Authority  
City of Sacramento  
Community Development Department  
Department of Transportation, Parking  
Services  
Economic Development Department  
City of West Sacramento  
Redevelopment Agency  
Downtown Sacramento Partnership  
Sacramento Metropolitan Air Quality  
Management District  
Sacramento Regional Transit District



## IX. LEGEND OF ABBREVIATIONS

American Recovery and Reinvestment Act.....	ARRA
Americans with Disabilities Act.....	ADA
Budget Change Proposal.....	BCP
Building and Property Management Branch.....	BPM
California Department of Education.....	CDE
California Department of Public Health.....	CDPH
California Department of Transportation.....	CALTRANS
Capitol Area Development Authority.....	CADA
Capitol View Protection Act.....	CVPA
Chapter.....	Ch.
Department of General Services.....	DGS
Department of Health Care Services.....	DHCS
Department of Rehabilitation.....	DOR
East End Gateway.....	EEG
Government Code.....	GC
Gross Square Feet.....	GSF
Joint Powers Authority.....	JPA
Leadership in Energy and Environmental Design™.....	LEED®
Legislative Analyst's Office.....	LAO
Net Square Feet.....	NSF
Office Building.....	OB
Project Management and Development Branch.....	PMDB
Square Feet.....	SF
Statutes.....	Stats.